

# DELTA COUNTY ECONOMIC UPDATE

January, 2024

  
**COLORADO MESA**  
UNIVERSITY  
DAVIS SCHOOL OF BUSINESS

The Delta Economic Update is in part funded by  
One Delta County

## Economic Summary

- New standard of living measures have been released for 2022, as county level data has a significant lag. Delta County GDP for 2022 grew by 1.8% compared to 2021.
- Delta County median household income rose from \$52,403 in 2021 to \$53,910 in 2022.
- The Census Department's SAIPE program (Small Area Income and Poverty Estimates) released their most recent poverty estimate, with Delta County's poverty rising to 14.6% (up from 13.9%).
- Personal income per capita increased from \$46,231 in 2021 to \$47,593 in 2022. Per capita personal income is a measure of all personal income in the county divided by the population.
- Inflation for December came in at 3.4% The primary reason for the increase was shelter, which finished the year at 6.2%. Medical care services also saw a sharp increase.

## CONTENTS

<b>Local Economic Indicators.....</b>	<b>1</b>
The Local Labor Market .....	2
Industry Trends.....	6
<b>Local Real Estate Indicators .....</b>	<b>8</b>
<b>Regional Energy.....</b>	<b>10</b>
Drilling permits and energy prices ...	11
<b>National Economic Indicators .....</b>	<b>12</b>
GDP and Inflation .....	13

## LOCAL ECONOMIC INDICATORS

	Q3 2023	Q2 2023	Q3 2022	change since last quarter	change since last year (comparable quarters)
Local Labor Market					
Unemployment Rate Delta County- NSA	3.67%	3.30%	3.07%	0.37%	0.60%
Unemployment Rate Colorado - NSA	3.40%	2.90%	2.70%	0.50%	0.70%
Unemployment Rate U.S. - NSA	3.80%	3.40%	3.60%	0.40%	0.20%
Labor Force	13,416	13,369	13,521	47	-105
Employed	12,920	12,927	13,102	-8	-182
Unemployed	496	442	419	54	77
Business Confidence					
Leeds Colorado Business Confidence Index	45.3	43.6	39.8	3.90%	13.82%
Sales/Use Taxes	2023 (YTD)		2022 (YTD)		
City of Delta Sales/Use Taxes (as of Nov)	\$7,365,559		\$7,415,148		-0.67%
Delta County Sales/Use Tax (as of Nov)	\$7,540,744		\$7,619,035		-1.03%
Lodging Tax (as of Nov)	\$182,289		\$157,570		15.69%
Business Filings	2023 (YTD)		2022 (YTD)		
Delta County New Business Entity Filings (through December)	658		622		5.79%

Standard of Living and Growth	2022	2021	2020	2019	% change from previous year
Population	31,581	31,386	31,052	31,237	0.62%
Gross Domestic Product (GDP)	\$864,046	\$848,581	\$865,487	\$857,113	1.82%
Personal Income	\$1,504,032	\$1,450,878	\$1,328,211	\$1,197,461	3.66%
Personal Income Per Capita	\$47,593	\$46,231	\$42,775	\$38,428	2.95%
Median Household Income	\$53,910	\$52,403	\$53,553	\$51,525	2.88%
Percent of Population Below Poverty Line	14.6%	13.9%	12.1%	15.10%	5.04%

SOURCES IN ORDER OF LISTING: State and Local Unemployment rates: Bureau of Labor Statistics (LAUS); National Unemployment rate: Bureau of Labor Statistics; Labor Force, Employed, and Unemployed: Colorado Department of Labor and Employment; Leeds Colorado Business Confidence Index: Leeds School of Business; Sales/Use Tax information: City of Delta and Delta County; Business Permits: Colorado Secretary of State's Office; Population, poverty, and median household income: U.S. Census Bureau; Personal income: Bureau of Economic Analysis. Note that in all rows where percentages are presented the % change since last quarter and % change since last year represents the difference between the two percentages, not the actual percentage change.

## Local Labor Market

The Delta County labor market has slowed down from both last quarter and last year, but overall remains tight with an estimated unemployment rate of 3.67%. The number of unemployed has risen by 77, rising to 496. The labor force continues on it's downward trend that has existed since 2020, falling by 105. Overall employment is down slightly, falling from 12,802 in 2022 to 12,715 in 2023 (figure 1). It's important to note that the employment estimates are just that, estimates, and that the longer term trend is more important than the month to month changes.

A different dataset exists from the Bureau of Economic Analysis that measures jobs, which actually showed an increase in jobs from 2020's 16,050 jobs 16,445 in 2023. If you have two jobs, you are counted as employed once in figure 1, but in figure 3 both jobs are counted.

## Other Indicators

Delta County sales taxes have fallen slightly year over year through November, falling by 1%. City sales tax data has fallen by 0.67% compared to last year.

Delta County business filings are up, increasing by 5.79% year over year. Sales and use taxes remain even from last year, while lodging taxes are up 15.7%.

## Standard of Living Measures

New standard of living measures have been released for 2022, as county level data has a significant lag. Delta County GDP for 2022 grew by 1.8% compared to 2021. The Bureau of Economic Analysis recently updated their GDP estimates. They do not have data before 2017 for these new estimates, so figure 9 is from the old dataset and will hopefully be updated in late January 2024. Figure 9 shows the old GDP data, while the table above shows the new GDP data.

Table 1:

### 1, 5, and 10 Year Employment Comparison (Yearly Comparison)

	Labor Force	Employed	Unemployed
<b>Annual</b>	-105	-182	77
<b>5-Year</b>	-1,180	-1,164	-16
<b>10-Year</b>	-614	23	-637
<b>Annual %</b>	-0.8%	-1.4%	18.4%
<b>5-Year %</b>	-8.1%	-8.3%	-3.1%
<b>10-Year %</b>	-4.4%	0.2%	-56.2%

Delta County median household income rose from \$52,403 in 2021 to \$53,910 in 2022. Median household income is an estimate with a fairly large confidence interval, so it is important not to overreact to one number that changes. Despite that, after a large increase in 2018 and 2019, median household income has leveled out (figure 7)

The Census Department's SAIPE program (Small Area Income and Poverty Estimates) released their most recent poverty estimate, with Delta County's poverty rising to 14.6% (up from 13.9%) (figure 8).

Personal income per capita increased from \$46,231 in 2021 to \$47,593 in 2022. Per capita personal income is a measure of all personal income in the county divided by the population. Per capita personal income has increased drastically the last decade (figure 6).

Figure 1:  
**Employment Estimate**

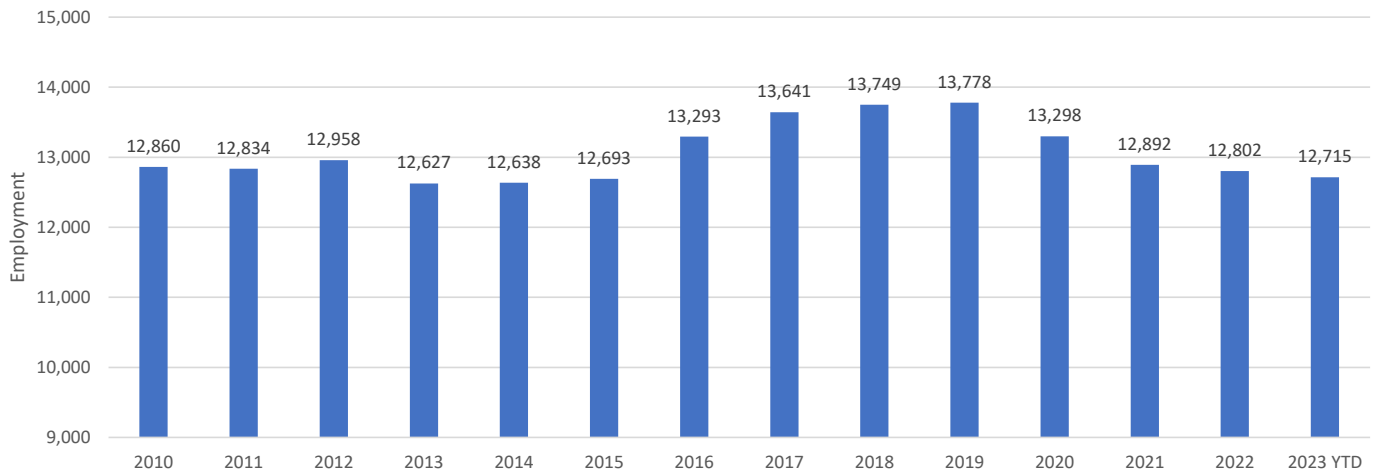


Figure 2:  
**Change in Yearly Employment**

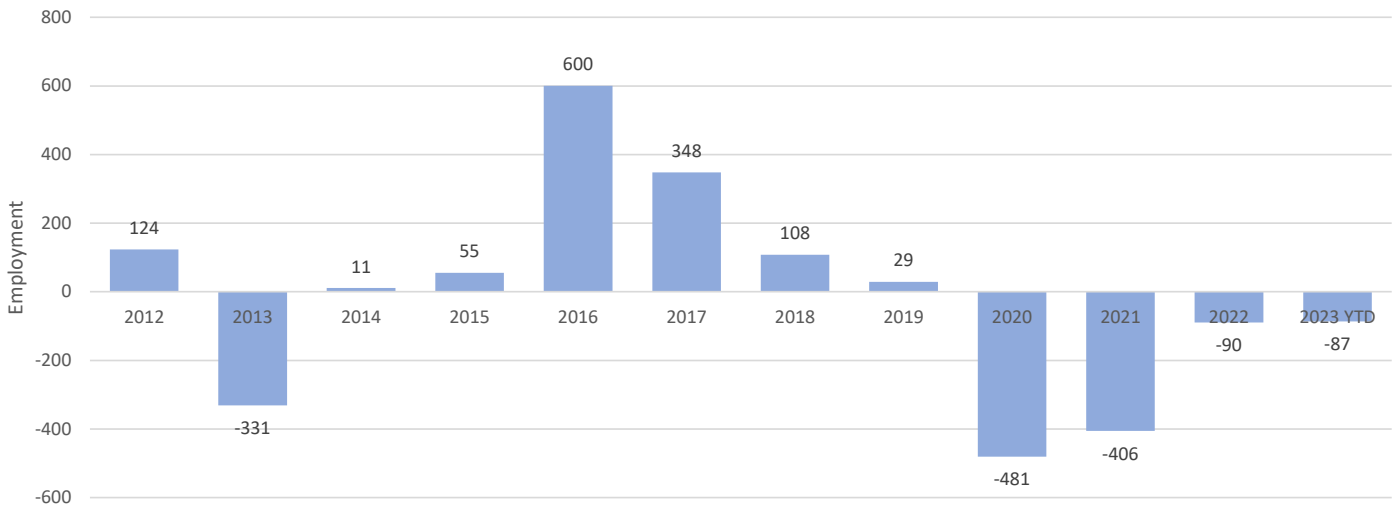


Figure 3:  
**Total Full and Part Time Jobs (BEA)**



Figure 4:  
**Jobs by Industry**

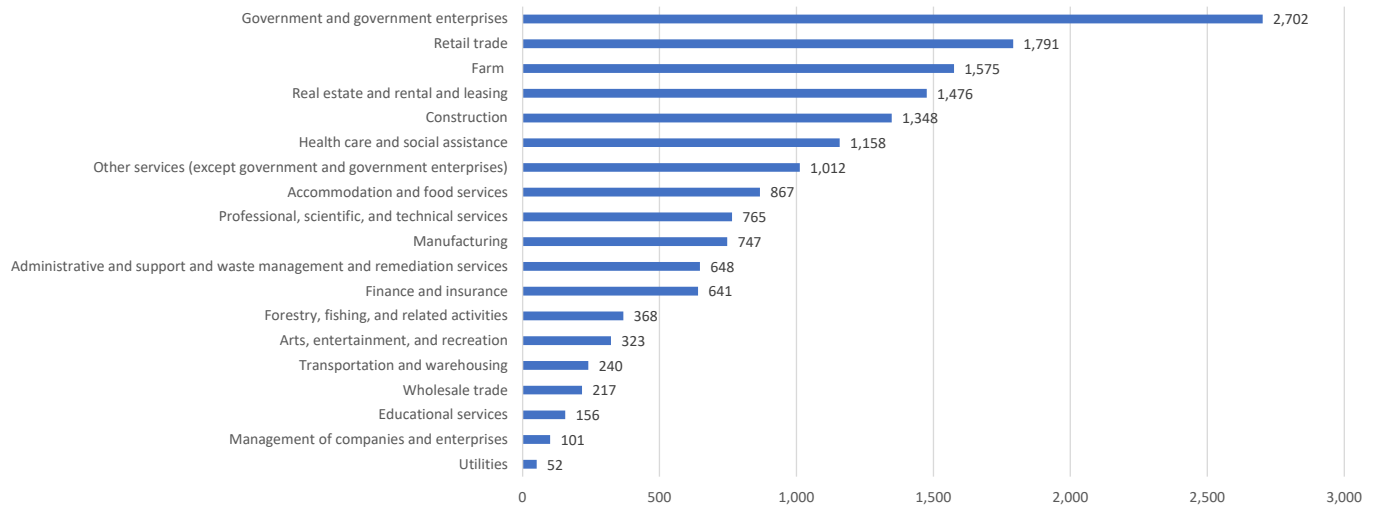


Figure 5:  
**Population Estimates and Forecast (State Demography Office)**

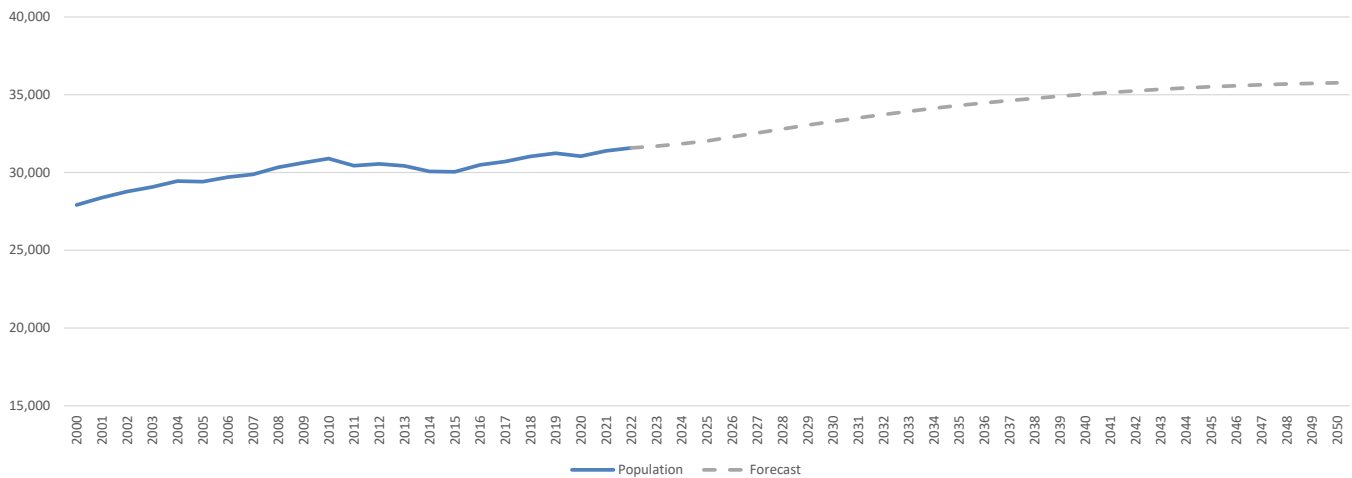


Figure 6:  
**Personal Income Per Capita**

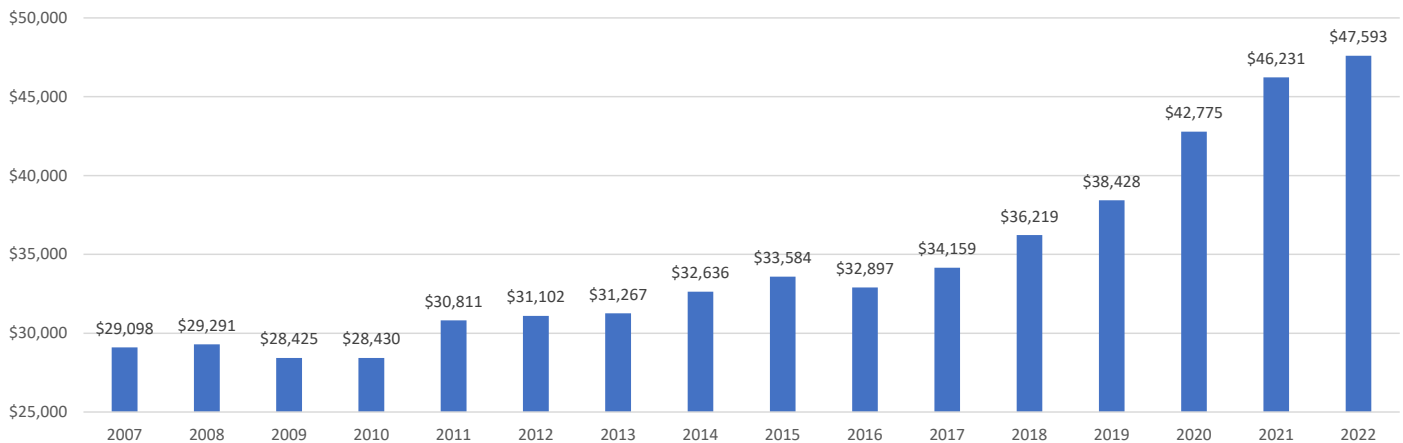


Figure 7:  
**Delta County Median Household Income**

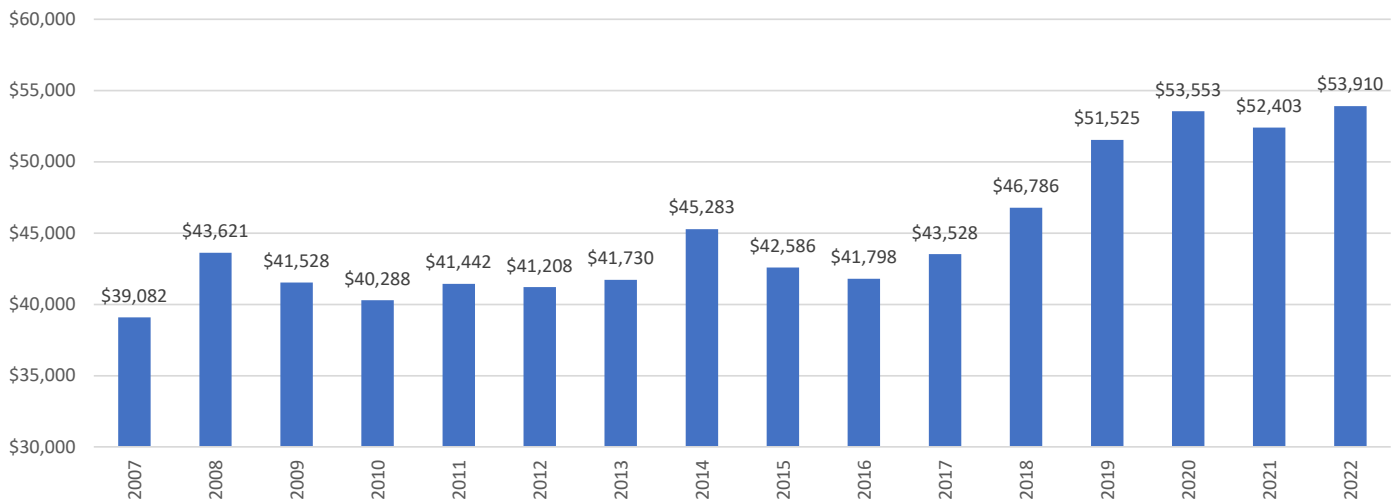


Figure 8:  
**Delta County Poverty Rate**

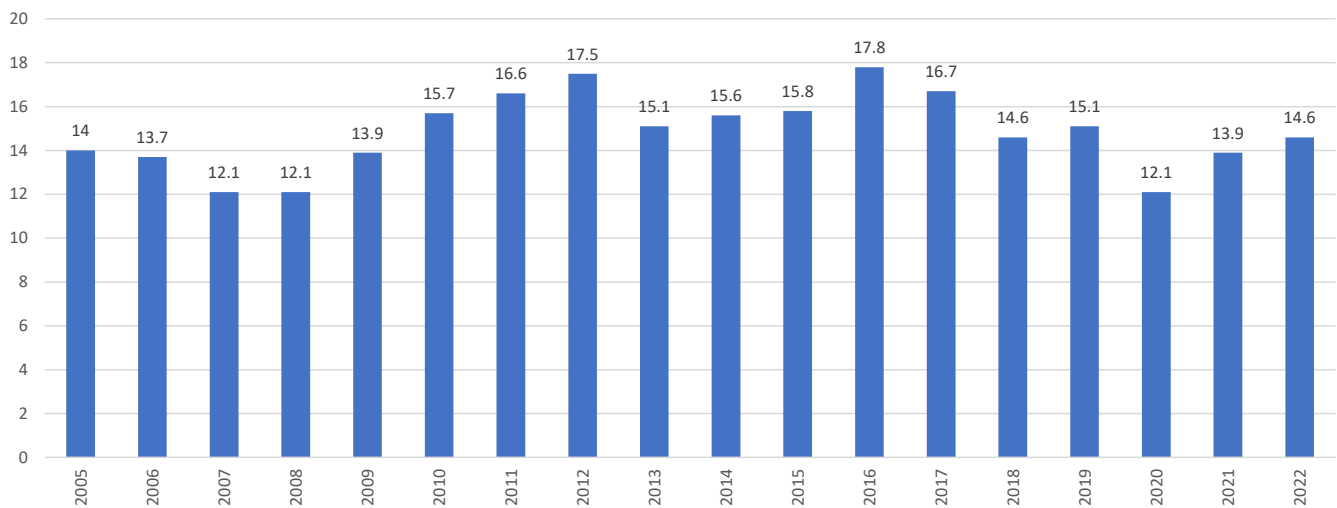
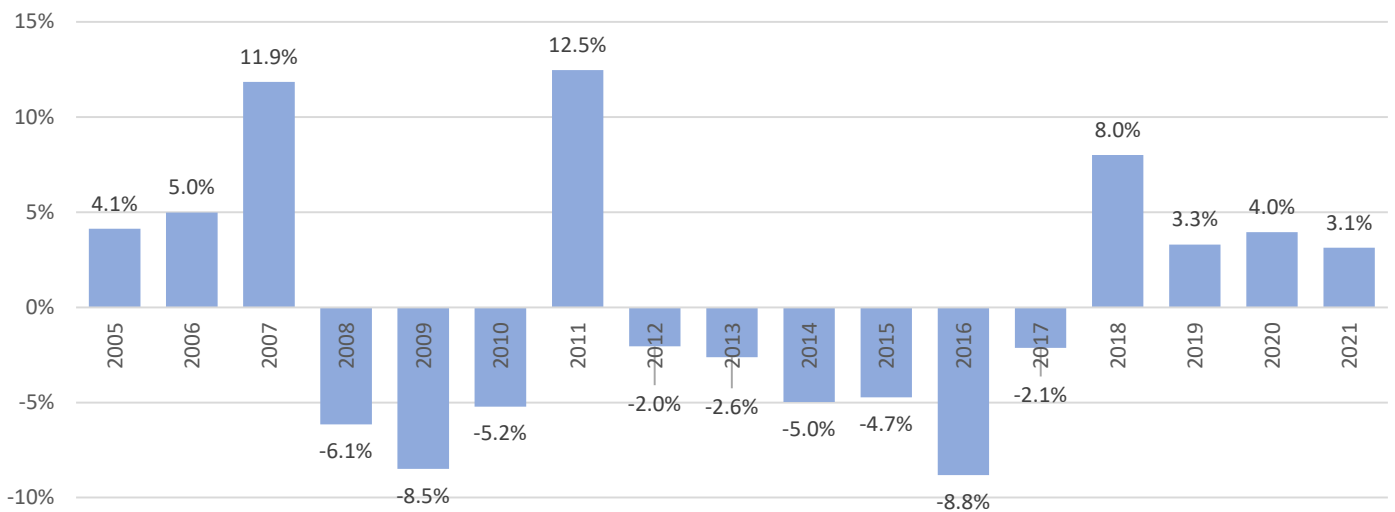


Figure 9:  
**Delta County Real GDP % Change (chained 2012 dollars)**



## Delta County Employment Trends

Q2 2023 QCEW data shows gains in jobs and wages year over year. Healthcare, which has lost jobs in several counties over the last two years, showed a gain in jobs and a large gain in wages for the second quarter in a row. The largest job gains were in administrative and waste services (162) and finance and insurance (71). Healthcare maintains the top spot as the largest wage contributor, with retail trade and public administration coming in second and third. Education is omitted due to limited responses to the QCEW survey.

The Bureau of Economic Analysis has released sole proprietor and farm job numbers, farm employment fell 0.5%, while sole proprietor employment increased by 6.2%.

Table 2:  
**Quarterly Census of Employment and Wages (QCEW) Q1 2023 Compared to Q1 2022**

Sector	Average Employment	Total Quarterly Wages	Average Weekly Wage	Total Wage Change	Total Employment Change
Total, All Industries	8,788	\$98,117,888	859	\$13,127,515	377
Health Care and Social Assistance	1,608	\$21,368,963	1,022	\$2,904,674	25
Public Administration	843	\$11,109,557	1,014	\$2,183,612	32
Retail Trade	1,239	\$10,262,370	637	\$23,795	9
Construction	525	\$7,119,205	1,044	\$917,841	1
Manufacturing	599	\$6,710,125	862	\$430,118	4
Finance and Insurance	295	\$5,306,809	1,382	\$1,817,024	71
Accommodation and Food Services	761	\$4,238,637	429	\$544,892	45
Agriculture, Forestry, Fishing & Hunting	358	\$4,138,336	890	\$684,991	11
Administrative and Waste Services	368	\$3,856,451	806	\$1,898,262	162
Professional and Technical Services	227	\$3,472,727	1,177	\$764,594	17
Other Services, Ex. Public Admin	269	\$2,800,593	802	\$291,644	-2
Real Estate and Rental and Leasing	157	\$1,886,827	926	-\$271,867	-19
Transportation and Warehousing	127	\$1,490,621	900	\$54,175	6
Information	114	\$1,440,093	975	\$90,720	-9
Wholesale Trade	132	\$1,397,339	816	-\$166,463	1
Utilities	53	\$974,452	1,414	\$163,082	5
Management of Companies and Enterprises	29	\$483,441	1,282	\$127,594	5
Mining	14	\$322,192	1,813	\$155,568	5
Arts, Entertainment, and Recreation	55	\$294,430	414	\$76,622	7

SOURCE: Colorado Department of Labor and Employment (QCEW). The most recent quarterly data available is reported.

Table 3:  
**Farm and Sole Proprietor Employment**

BEA Data	2022	2021	2020	2019	% change from 2021
Farm Employment	1,249	1,255	1,249	1,245	-0.5%
Sole Proprietors (non-farm)	6,327	5,958	5,534	5,235	6.2%

Figure 10:  
Total Wage Change from Q2 2022 to Q2 2023

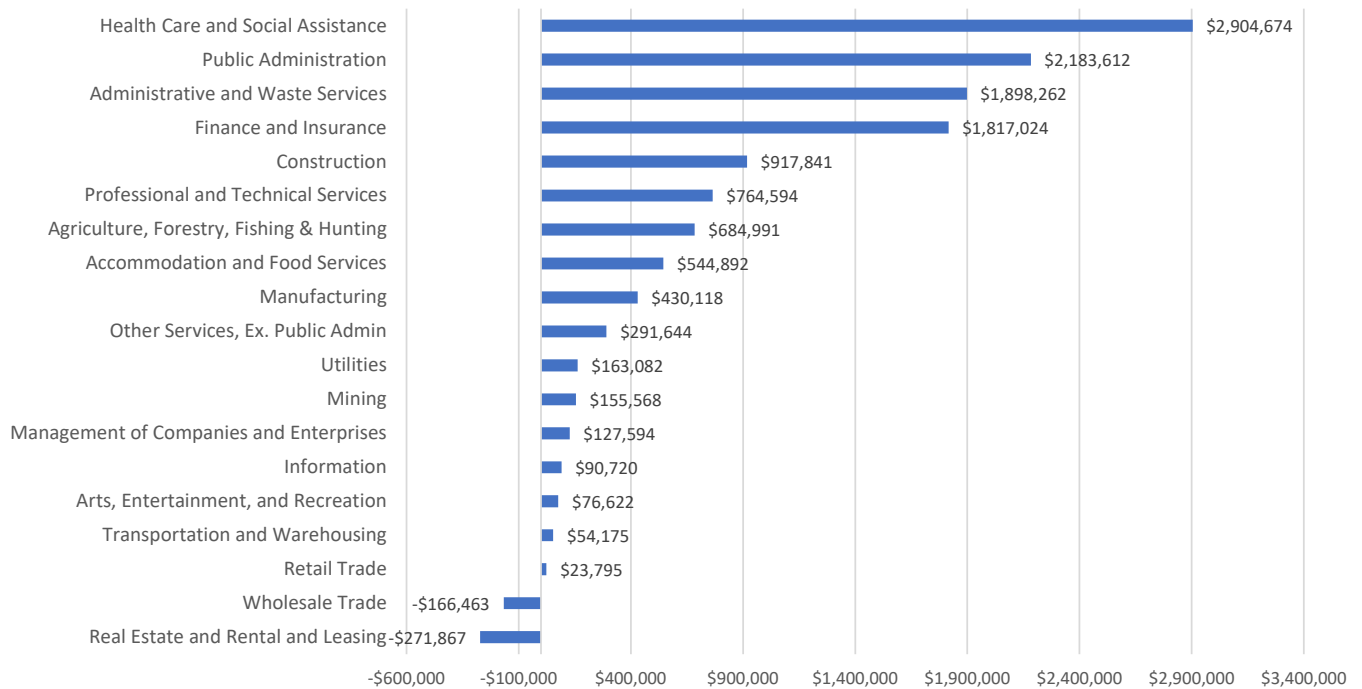
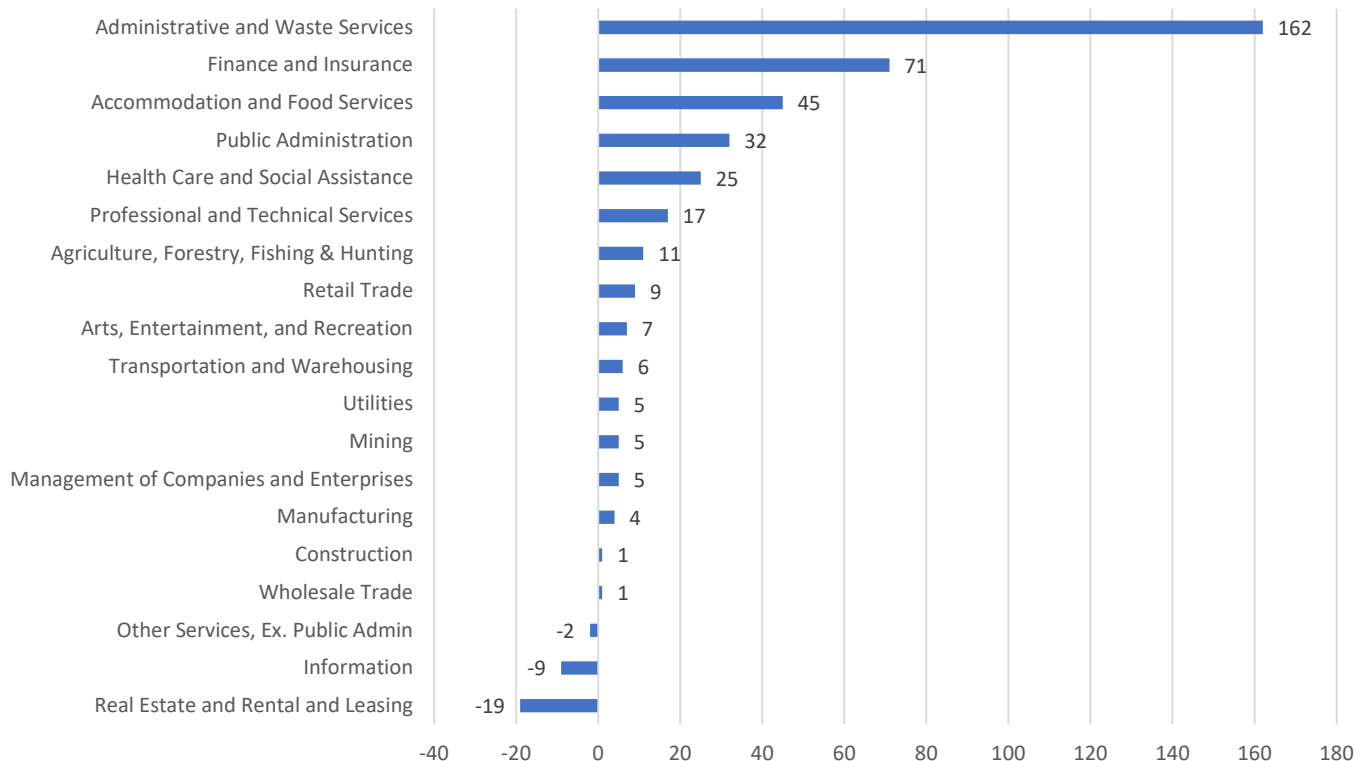


Figure 11:  
Total Jobs Change from Q2 2022 to Q2 2023



## LOCAL REAL ESTATE

	Q3 2023	Q3 2022	% change since last year
<b>Real Estate</b>			
Inventory of Homes for Sale (3 month avg)	177	138	28.19%
New Residential listings (3 month total)	172	194	-11.34%
Sold Residential Listings (3 month total)	124	124	0.00%
Median Sales Price	\$367,967	\$387,000	-4.92%
Average Sales Price	\$407,434	\$438,050	-6.99%
Days on Market	97.67	80.00	22.08%
Months Supply of Inventory	5.77	4.00	44.17%
Building Permits (Census)	60	223	-73.09%
<b>Foreclosures</b>			
Foreclosure Filings	12	12	0.00%
Foreclosure Sales	4	4	0.00%
<b>Mortgage Rates</b>			
	Dec 2023	Dec 2022	
15 Year Mortgage Rate (as of September)	6.14%	5.67%	0.47%
30 Year Mortgage Rate (as of September)	6.82%	6.36%	0.46%

SOURCES IN ORDER OF LISTING: Real Estate Data: Colorado Association of Realtors; Building Permits and Valuation: City of Delta and Orchard City totals; Foreclosure Filings and Sales: Delta County; Mortgage rates: Freddie Mac.

### Local Real Estate Indicators

Delta County's real estate market shows rising inventory, with inventory increasing by 28%. This has translated to falling prices, with median prices falling by 4.92% and average prices falling by 7%. In addition, days on market has risen from 80 to 97.6, and months supply of inventory has increased from 4 to 5.77. Months supply of inventory is an important metric because as we get to 5 or 6 months supply of inventory prices generally start to slow.

A new data point from the Census Department shows that building permits have fallen from 223 in 2021 to 60 in 2022, showing a sharp decrease in building permits. When looking at figure 12, 2021 was an unusually high year and 2022 seems more in line with previous levels.

Foreclosures have held steady, matching the numbers from a year ago. Foreclosures have increased since 2021 but are still way below their historical trend.

Interest rates are expected to fall this year, as the market is now expecting three Federal Reserve cuts next year, dropping mortgage rates from 7.62% in October to 6.82% in December.



Figure 12:  
**Building Permits (U.S. Census)**

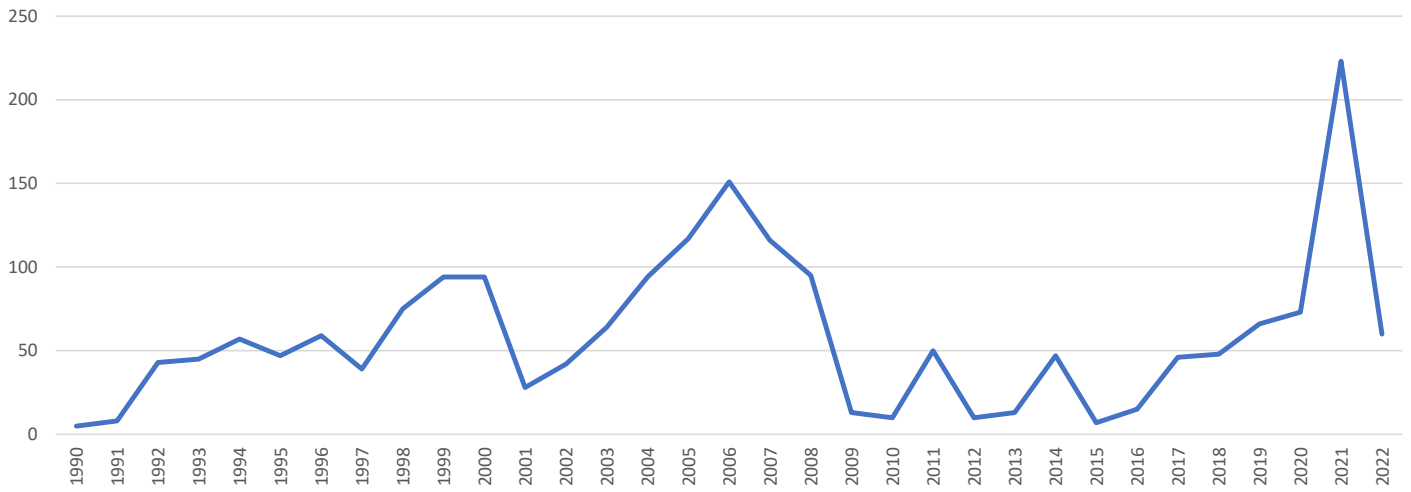


Figure 13:  
**Median and Average Sales Price**

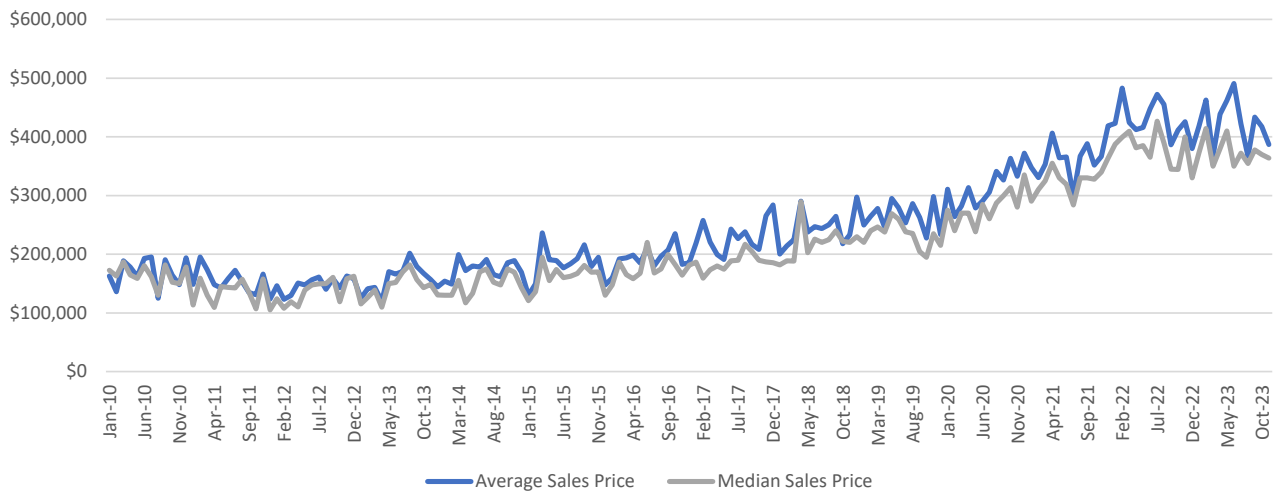
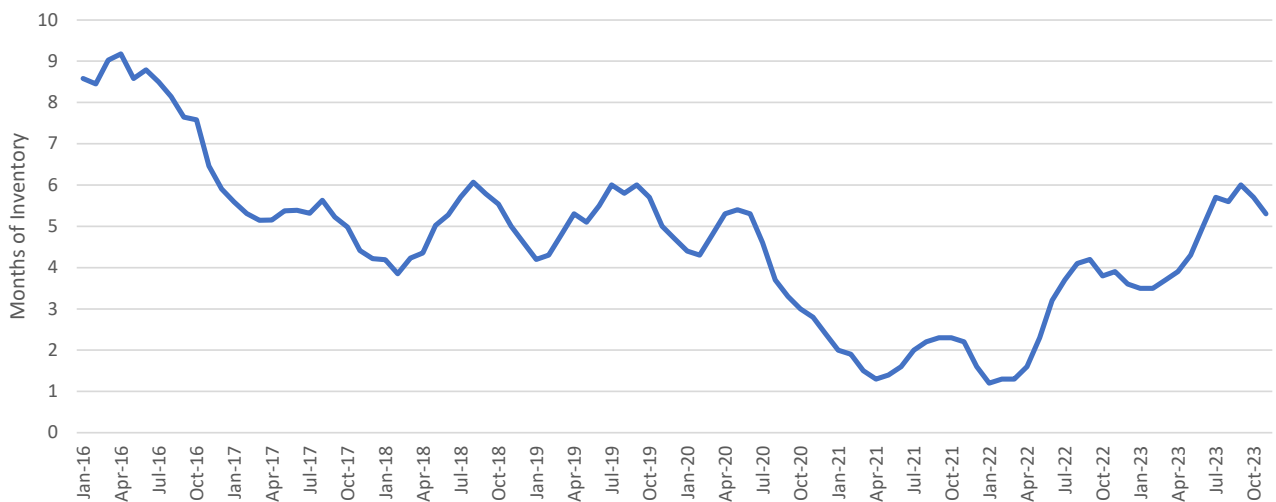


Figure 14:  
**Months Supply of Inventory**



## REGIONAL ENERGY

	Q3 2023	Q2 2023	Q3 2022	% change since last quarter	% change since last year (comparable quarters)
Energy Prices					
WTI Crude Oil	\$82.25	\$73.54	\$93.06	11.84%	-11.62%
Henry Hub Natural gas	\$2.59	\$2.16	\$7.99	19.91%	-67.58%
Retail Gasoline Price	\$3.63	\$3.46	\$3.93	5.03%	-7.68%
Drilling Permits					
	2023 (YTD, August 9th)	2022	2021	2020	
Drilling Permits (Mesa County)	23	0	0	1	
Drilling Permits (Rio Blanco County)	61	40	40	33	
Drilling Permits (Garfield County)	21	139	133	127	
Drilling Permits (Moffat County)	0	3	4	1	
Total Permits (Mesa, Rio Blanco, Garfield, Moffat)	105	182	177	162	
Total Permits (Colorado)	199	1,005	805	1,543	
Local Rig Count					
	Dec-23	Oct-23	Dec-22		
Rig Count (Western Colorado, Mesa, Rio Blanco, Garfield, Moffat)	3	3	3		
Delta/Gunnison Coal Industry					
	2023 (YTD)	2022 (YTD)	% Change		
Delta/Gunnison Average Monthly Employment for Coal Mining	295	258	14.39%		
Delta/Gunnison Coal Production (tons)	252,625	360,693	-29.96%		

SOURCES: All energy prices: Energy Information Agency; All permit data from Colorado Oil and Gas Conservation Commission (COGCC); Local Rig Count: Baker Hughes Rig Count; Coal: Colorado Division of Reclamation and Safety.

Figure 15:

### Oil and Natural Gas Prices

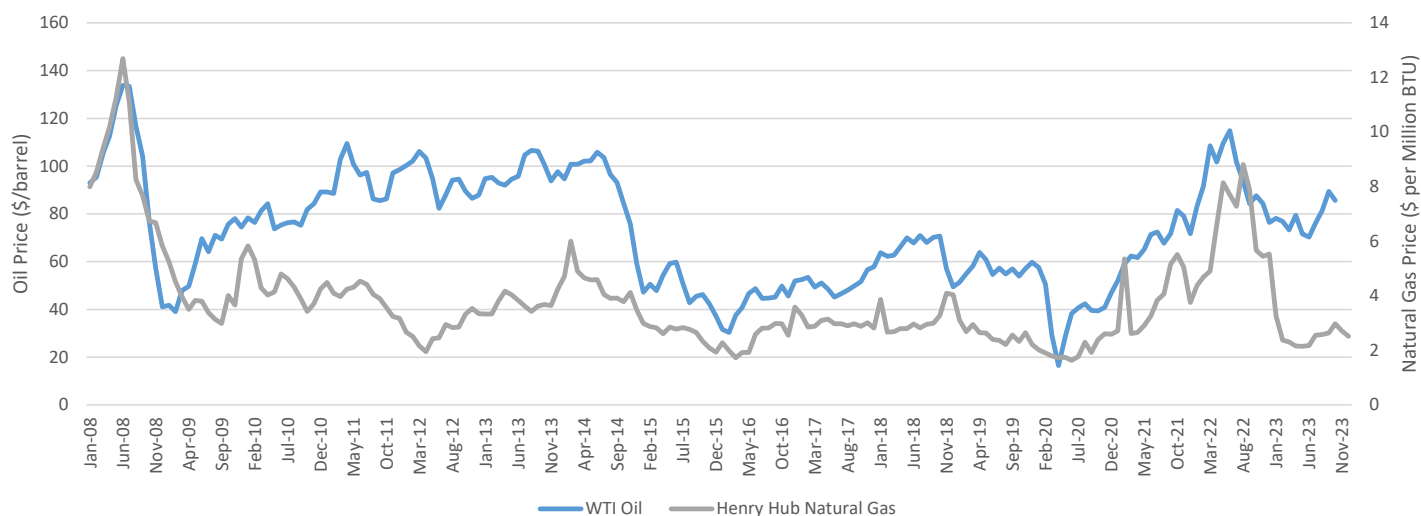


Figure 16:  
**Delta/Gunnison Coal Production and Employment**

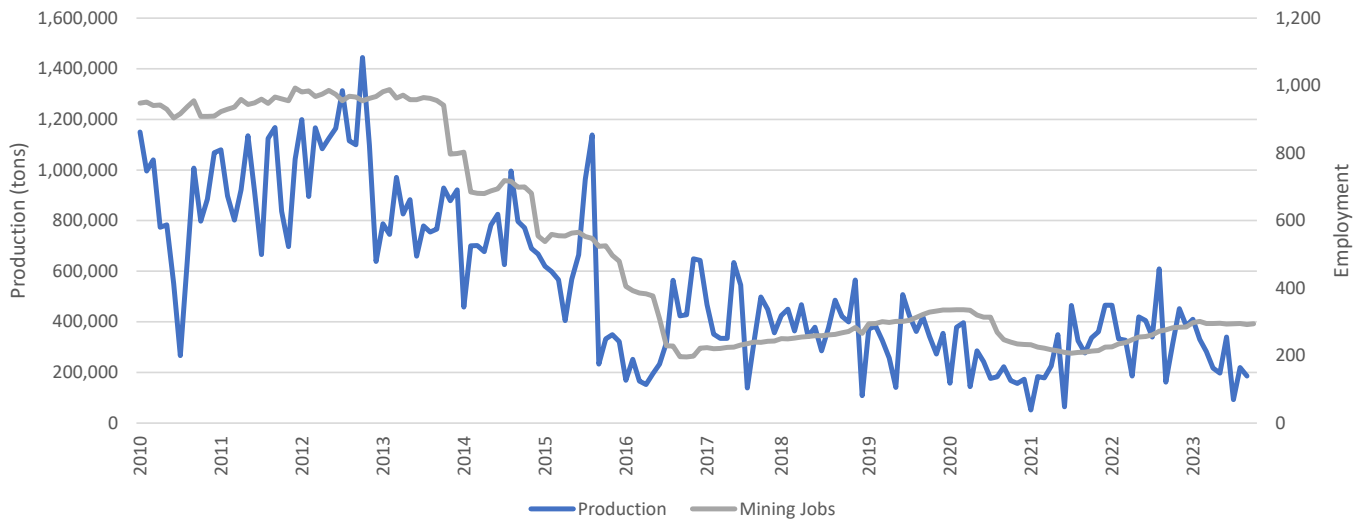
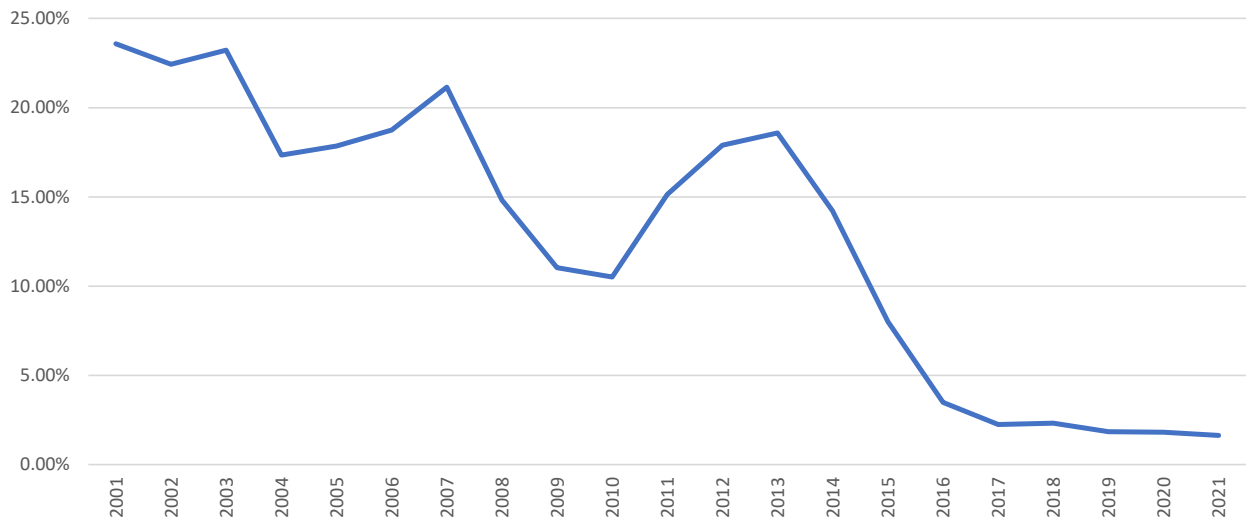


Figure 17:  
**Mining and Oil and Gas as a Percentage of GDP for Delta County**



## Western Slope Energy

WTI oil prices fell from \$82.25 in Q3 to \$78.52 in Q4. Natural gas prices averaged \$2.59 in Q3, rising to \$2.74 in Q4. Record natural gas production and inventories keep natural gas prices from rising. The Energy Information Agency (EIA) forecasts the Brent crude oil price to average \$82 per barrel in 2024, falling to \$79 per barrel in 2025. The EIA forecasts natural gas prices to average \$2.70 in 2024 and to rise to \$3.00 in 2025.

Locally, rig counts in the Piceance remain at three. Oil and gas permits are updated as of August. QCEW data shows that Q2 of 2023 brought a drop in oil and gas data, with Mesa County losing both jobs and wages for the quarter in oil and gas. Garfield lost wages, but held steady with employment.

Coal mining jobs have held steady in 2023, but production has fallen to 2021 lows.

## NATIONAL ECONOMIC INDICATORS

	Q3 2023	Q2 2023	Q3 2022	% change since last period	% change since last year (comparable quarters)
<b>Business Cycle Indicators</b>					
Real GDP	4.90%	2.10%	2.70%	2.80%	2.20%
Personal Consumption Expenditures	3.10%	0.80%	1.60%	2.30%	1.50%
Gross Private Domestic Investment	10.00%	5.20%	-7.60%	4.80%	17.60%
National Consumer Confidence	69.6	62.3	56.1	11.72%	24.06%
Industrial Production Index	103.3	102.8	103.3	0.45%	-0.04%
Initial Weekly Unemployment Claims (4 week MA)	230,911	240,077	209,231	-3.82%	10.36%
Non Farm Payroll Change (in thousands)	597,000	666,667	1,287,333	-10.45%	-53.63%
<b>Unemployment</b>					
Unemployment Rate-U3-SA	3.70%	3.60%	3.50%	0.10%	0.20%
Unemployment Rate-U6-SA	6.90%	6.80%	6.80%	0.10%	0.10%
<b>Interest Rates</b>					
Federal Funds Rate	5.25%	4.98%	2.16%	0.27%	3.09%
10 Year U.S. Treasury	4.15%	3.59%	3.11%	0.56%	1.04%
30 Year U.S. Treasury	4.24%	3.81%	3.26%	0.43%	0.98%
<b>Inflation Measures</b>					
Inflation Rate (CPI)	3.57%	4.05%	8.28%	-0.49%	-4.72%
Core Inflation Rate (All Items Less Food and Energy)	4.41%	5.24%	6.28%	-0.83%	-1.87%
Inflation Rate (Shelter)	7.35%	7.97%	6.19%	-0.62%	1.16%
Producer Price Index (PPI)	-4.86%	-6.64%	15.52%	1.78%	-20.38%
Employment Cost Index	4.42%	4.54%	5.05%	-0.12%	-0.63%
<b>Stock Prices</b>					
S&P 500	4,458	4,206	3,980	5.99%	12.00%
Dow Jones Industrial Average	34,669	33,643	31,774	3.05%	9.11%
<b>Trade Balance and Debt</b>					
Trade Balance (% of GDP)	-779.231	-806.093	-892.026	-3.33%	-12.64%
Federal Debt (% of GDP)*	119.5%	117.3%	119.7%	2.1%	-0.2%

SOURCES: GDP, Consumption, Investment, and Trade Balance: Bureau of Economic Analysis; Consumer Confidence: University of Michigan; Industrial Production, Interest Rates and USD Exchange Rate: Board of Governors of the Federal Reserve System; Weekly Unemployment Claims: U.S. Employment and Training Administration. Non-Farm Payroll, Unemployment Rates, Inflation Measures: Bureau of Labor Statistics; Stock Prices: S&P Dow Jones Indices, LLC.; USD Exchange Rate: Board of Governors of the Federal Reserve; Trade Balance: BEA; Federal Debt: U.S. Office of Management and Budget. \* Indicates data is lagged by one quarter. Regional CPI data from the Bureau of Labor Statistics. Yield Curve from the Federal Reserve Board.

Figure 18:  
**Real GDP for U.S.**

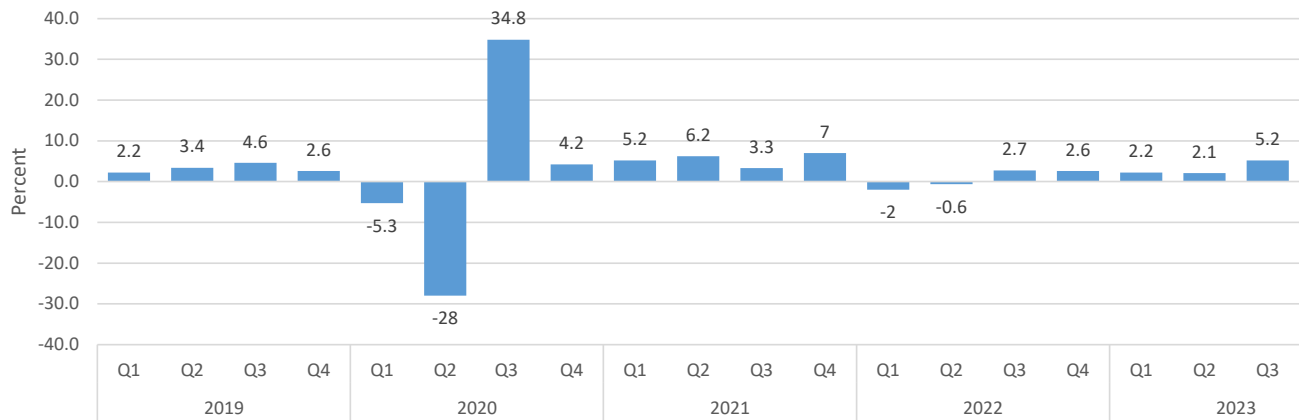
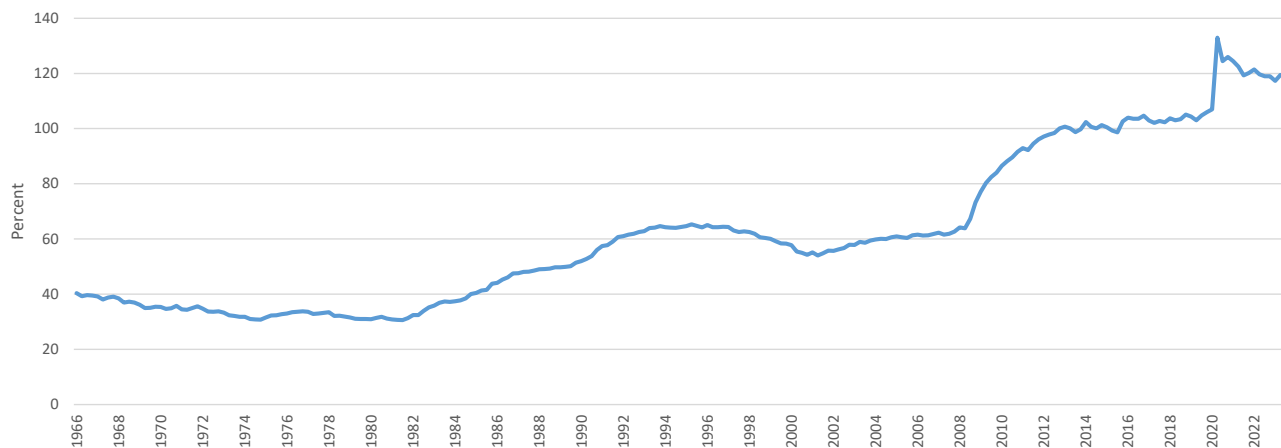


Figure 19:  
**U.S. Debt/GDP**



## Economic Growth

U.S. GDP growth for Q3 2023 was 5.2%. The Atlanta Federal Reserve's GDPNow estimates 1.2% growth for Q4. The unemployment rate remains low at 3.9%. The labor market remains tight, although it seems to be slowing. Wages are starting to fall as seen in figure 23, which is one of the Federal Reserve's goals, as rising wages contribute to inflation.

## Inflation and Interest Rates

Inflation for December came in at 3.4%, rising from November's 3.1%. The primary reason for the increase was shelter, which jumped in December to finish the year at 6.2%. Medical care services also saw a sharp increase.

Prior to December, interest rates had continued to rise due to signaling from the Federal Reserve about keeping rates "higher for longer." Then in December, the Fed reversed their messaging, signaling three rate cuts in 2024. The bond market responded quickly, ending the rise in long term rates from the past several months. The 10-year treasury bond quickly fell from a peak of almost 5% in late October to around 4% in

mid-December. This has caused mortgage rates to fall, and has spurred a stock market rally. The Federal Reserve now sees that the inflation battle is likely won, and are trying to preempt a recession in spring 2024.

Recession talk has continued for over a year, with several signals showing recession, including the yield curve inversion. There are signs of slowing, as the labor market gains are lower each month. Savings rates have fallen, leading many to believe that the consumer would pull back on spending for Christmas, but this ended up not being the case. At some point, the consumer has to slow down and that time may be spring of 2024.

Although surprising, the Federal Reserve's announcement of lower rates for next year shows they are trying for a soft landing. They believe they can tame inflation (that it is mostly tamed), and that they can keep growth from slowing and unemployment rising by lowering rates.

Figure 20:  
CPI (Inflation) Release from the Bureau of Labor Statistics (reproduced from BLS.gov)

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Dec. 2023
	Jun. 2023	Jul. 2023	Aug. 2023	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023	
All items.....	0.2	0.2	0.6	0.4	0.0	0.1	0.3	3.4
Food.....	0.1	0.2	0.2	0.2	0.3	0.2	0.2	2.7
Food at home.....	0.0	0.3	0.2	0.1	0.3	0.1	0.1	1.3
Food away from home <sup>1</sup> .....	0.4	0.2	0.3	0.4	0.4	0.4	0.3	5.2
Energy.....	0.6	0.1	5.6	1.5	-2.5	-2.3	0.4	-2.0
Energy commodities.....	0.8	0.3	10.5	2.3	-4.9	-5.8	-0.1	-2.9
Gasoline (all types).....	1.0	0.2	10.6	2.1	-5.0	-6.0	0.2	-1.9
Fuel oil <sup>1</sup> .....	-0.4	3.0	9.1	8.5	-0.8	-2.7	-5.5	-14.7
Energy services.....	0.4	-0.1	0.2	0.6	0.5	1.7	0.9	-1.1
Electricity.....	0.9	-0.7	0.2	1.3	0.3	1.4	1.3	3.3
Utility (piped) gas service.....	-1.7	2.0	0.1	-1.9	1.2	2.8	-0.4	-13.8
All items less food and energy.....	0.2	0.2	0.3	0.3	0.2	0.3	0.3	3.9
Commodities less food and energy commodities.....	-0.1	-0.3	-0.1	-0.4	-0.1	-0.3	0.0	0.2
New vehicles.....	0.0	-0.1	0.3	0.3	-0.1	-0.1	0.3	1.0
Used cars and trucks.....	-0.5	-1.3	-1.2	-2.5	-0.8	1.6	0.5	-1.3
Apparel.....	0.3	0.0	0.2	-0.8	0.1	-1.3	0.1	1.0
Medical care commodities <sup>1</sup> .....	0.2	0.5	0.6	-0.3	0.4	0.5	-0.1	4.7
Services less energy services.....	0.3	0.4	0.4	0.6	0.3	0.5	0.4	5.3
Shelter.....	0.4	0.4	0.3	0.6	0.3	0.4	0.5	6.2
Transportation services.....	0.1	0.3	2.0	0.7	0.8	1.1	0.1	9.7
Medical care services.....	0.0	-0.4	0.1	0.3	0.3	0.6	0.7	-0.5

Figure 21:  
Inflation Rate and 10 Year Treasury

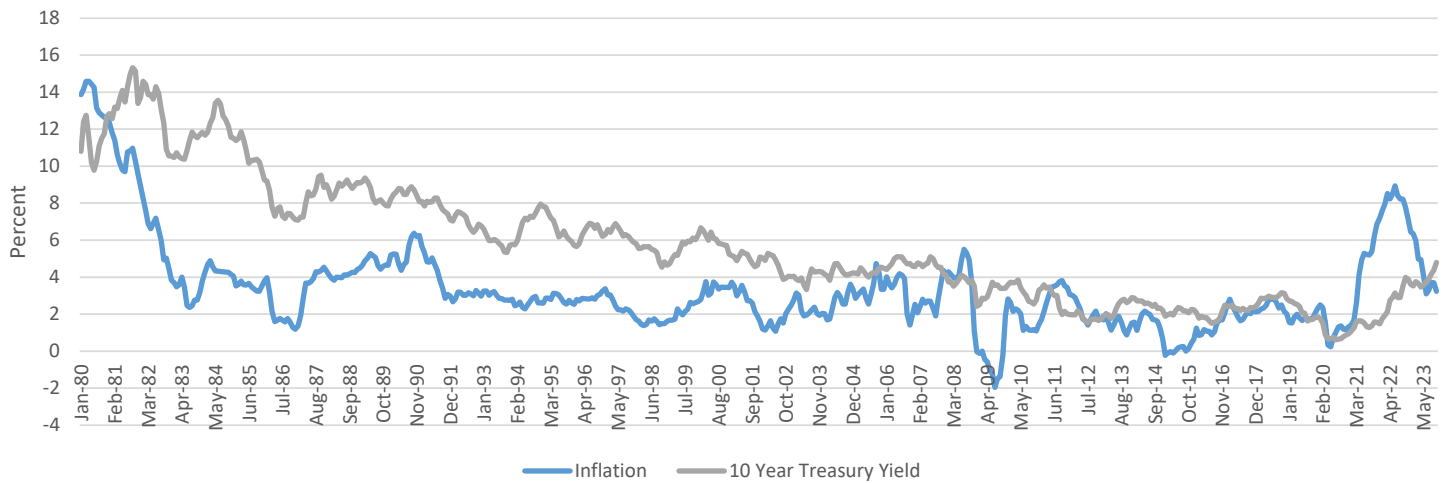


Figure 22:  
**Unemployment Rate**



Figure 23:  
**Employment Cost Index**

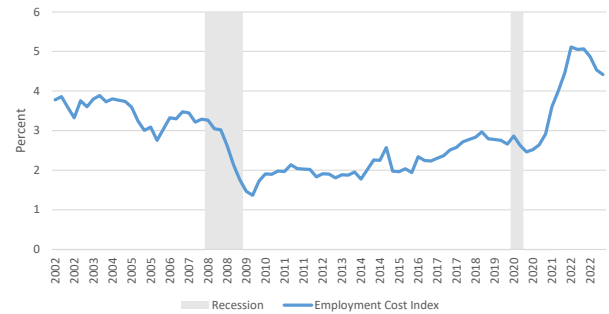
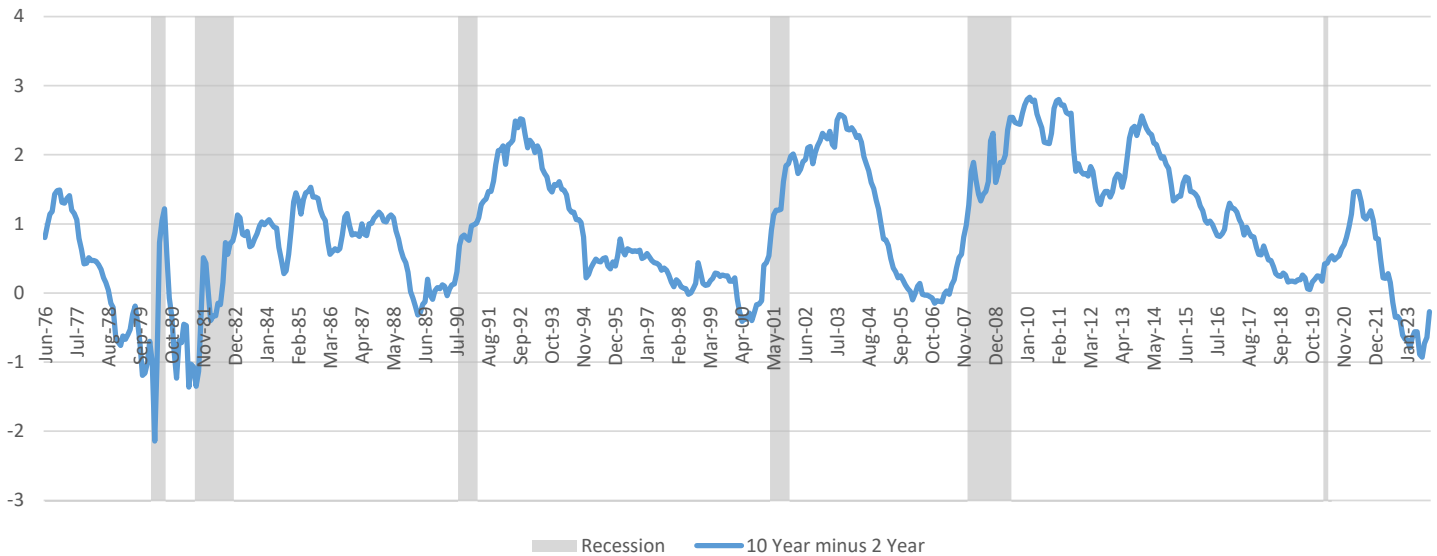


Figure 24:  
**Yield Curve: 10 Year Treasury minus 2 year Treasury**



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